

annum. They shall then set aside not less than 10 per cent of the net profits for a reserve fund until it equals 30 per cent of the paid-up capital stock, and not less than 2 per cent thereof shall be for an educational fund to be used in teaching co-operation. The remainder of the net profits shall be paid in uniform dividends upon the amount of purchases of shareholders, and upon the wages and salaries of employees, and one-half of such uniform dividends to non-shareholders on the amount of their purchase, except that in the case of certain selling and productive associations dividends shall be prorated on raw materials delivered instead of on goods purchased, or on both. (Sec. 1, 2, 13 and 15.)

202 A. Boycotting: There is only the common law to prevent boycotting against farmers' co-operative associations.

203. Credit Legislation: This includes:

(a) **State Banks**, organized under the general law to do general banking business, with minimum capital from \$5,000 to \$25,000, according to population of place where located. They may become members of the Federal Reserve System. (b) **Industrial Banks**, organized under general corporation laws, with capital of not less than \$25,000, having general corporate powers and, with certain restrictions, additional power to make loans, discounts, etc. (c) **Building and Loan Associations**, organized under general laws and for the purpose contemplated in these organizations. (d) **Land and Loan Associations**, organized for the purpose of making loans to members only, and under the same general plan as the Building and Loan Associations. (e) **Credit Unions**, organized for the purpose of savings, deposits and loans for members only. (f) **Co-operative Associations**, for the purpose of conducting agricultural, dairy, mercantile, mining, manufacturing or mechanical industries on the co-operative plan.

For further information under any of the above heads apply to Mr. A. C. McIntosh, University of North Carolina, Chapel Hill.

204. Road Laws:

(a) **Construction of State Roads With Federal Aid:** In 1919 there was passed an "act to provide for the construction and maintenance of a system of state highways and to enable the State to secure the benefits of federal aid therefor, and for other purposes." This act provides for a **STATE HIGHWAY COMMISSION** to consist of four members appointed by the Governor, one for the western, one for the central and one for the Eastern portion of the State, and one for the State at large. One of the members of the Commission shall always be from the minority party. The Governor shall designate one of the members chairman and this member shall be known as the **State Highway Commissioner**. By this act a "**State Highway Fund**" is created out of the license taxes on motor vehicles (the amounts for which are specified) for the construction and maintenance of a system